

2010 | 2011

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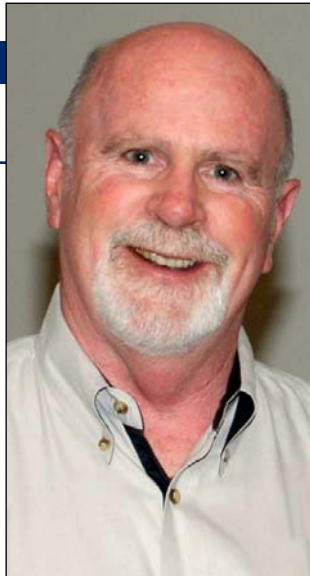
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PRESIDENT'S MESSAGE

Chris Kinsey



Dan Martinez at the Education Program #1, August 26th, speaking on "Partnership in Operational Excellence and Transparency".

"Wow!" Just got back from the 20th Annual Fall Conference held at the Long Beach Hyatt. Read more about what a great event it was in this *Newsbrief*.

We are off to a great start with our new HFMA year. We finished the first quarter of our HFMA year on August 31st. Our Education Program #1, held on August 26th, was a great success. The General sessions and breakout sessions were well attended. Vice President and Program Chair Scott Ujita, CFO Roundtable Chair Eric Delgado, Revenue Cycle Chair Jerilin Cummings, Government Chair Jack Gilbertson and Certification Chair Debby Chanen, are all to be commended for orchestrating this outstanding and well-attended program. We look forward to our upcoming Education Program #2 in November.

The Chapter year began with two webinars. We had our first webinar, "Healthcare Reforms Impact on Hospitals" with Chad Mulvany on July 21st. Thanks to Carl Hill and the Education Outreach Committee for staging this webinar. Thanks to Jim Moynihan, our Chapter Treasurer, for making arrangements with US Bank to host this event. We held our second Webinar on August 3rd. We are utilizing a Lunch & Learn format for our webinars. Dan Rode presented X12-5010 and ICD-10 and their impact on our future. Again thanks to James Moynihan and US Bank for putting this together. We had a good turnout and currently have two more Lunch & Learn webinars scheduled for September and October.

In addition to the webinars, we also hosted two Educational Outreach Programs July 21st in Orange County and July 22nd in San Bernardino. These seminars presented "E.D. Triage" with Corey Shank, VP Corporate Development, Gardner Group; and "Billing and Collecting Worker's Compensation Claims" with Ramona Hernandez, VP Sales - California Service Bureau. We thank Carl Hill and the Education Outreach for putting these programs together. We will continue to have many and varied educational programs for you this upcoming year.

October 27th is our next CFO/Controller Roundtable Luncheon. November 18th is our Second Education Program at the Embassy Suites in Downey. Please don't forget the Region 11 Symposium at Caesars Palace in Las Vegas from January 23 through January 26, 2011.

I encourage everyone to take advantage of our Chapter website: www.hfma-socal.org. The website contains listings of educational events, copies of Newsbriefs, membership information, our photo gallery, and a listing of our Officers and Board members and Committee Chairs.

Thanks.



Chris Kinsey
President, HFMA, Southern California Chapter

2009 | 2011

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Member-Get-A-Member Contests

— Scott Ujita —

It is a great time to find and refer new members to HFMA and get valuable prizes. Some of the prizes National HFMA is giving away are \$25 gas cards (for recruiting 1 or 2 members), \$100 prepaid VISA card (for recruiting 3 or 4 members) and \$150 in prepaid Visa cards (for recruiting 5 or more members). They are even giving away an iPad in October, January and March. What are your chances of winning the iPad? Well, that depends how many people you recruit to HFMA and have them put your HFMA number on their membership. Now take that number and divide it by all of the other members in the nation that recruited members, and that is your chance of winning – small but worth the effort! Full details at www.hfma.org/mgam/

An easier way to win great prizes is with the Southern California Chapter of HFMA. For starters, recruit members into the Southern California Chapter by having them sign you up as their sponsor and you may win an iPad. The member who recruits the most new members to the Southern California Chapter from June 1 to November 30 will win an iPad at the holiday party. If there is a tie, one of the members with the most recruits will be chosen at random.

If you thought that was a great prize, the grand prize at the end of the year will be a trip to Puerto Vallarta along with some travel expense money. The condominium in Puerto Vallarta was generously donated by Progressive Management Systems (www.pmscollects.com) and the travel expense was generously donated by CMRE, Inc. (www.cmrefsi.com/). I spoke with a past winner of this prize, James Stewart, and he told me, "The trip was great and the accommodations were spectacular! It had all the amenities and comforts of being at home. I loved that it was right on the beach."

Don't miss out on this fantastic opportunity to win great prizes while helping the Southern California Chapter grow. For more information about the chapter "Member-Get-A-Member" contest, see page three of this *Newsbrief*, go to the chapter website (www.hfma-socal.org/), ask any Southern California Board Member or e-mail Lori Kuwahara (lori@hfma-socal.org).

Go get a member and good luck!

HFMA SO. CALENDAR

2010 EVENTS

October 12 : Webinar: Patient Safety & RAC, MIC, MAC & APIC Audits 12spm - 1:30pm

October 21 : Workers Compensation & Denied Claims Management 8am - 12pm
Miller Children's Hospital (Pavilion Bldg), Long Beach Memorial Medical Center

October 27 : CFO/Controller Roundtable Luncheon 11:30am - 1:30pm
Deloitte & Touche, Manhattan Beach

November 18 : Chapter Educational Program II 8am - 12:30pm / Embassy Suites, Downey

2011 EVENTS SAVE THESE DATES

Jan 23-26 / Region 11 Symposium • Feb 17-19 / Education Outreach Program III

Mar 17 / Chapter Educational Program III • Apr 12 / Cost Report Education

Apr 20-22 / Education Outreach Program IV • Apr 29 / CFO Roundtable Lunch

Jun 26-29 / HFMA's Annual National Institute • Sep 11-13 / Fall Conference

Details on all events can be found on the chapter's website: www.hfma-socal.org/ > click on Events Listings.

MEMBER-GET-A-MEMBER CONTEST

HFMA SOUTHERN CALIFORNIA MEMBERS CAN
WIN A TRIP TO PUERTO VALLARTA

THE SOUTHERN CALIFORNIA CHAPTER OF HFMA, IN ASSOCIATION WITH SPONSORS **PROGRESSIVE MANAGEMENT SYSTEMS** AND **CMRE, INC.**, WILL GIVE MEMBERS A CHANCE AT WINNING THE FOLLOWING PRIZES:

1ST PLACE

A trip to Puerto Vallarta, Mexico. Included in this trip give-away are 7 days / 6 nights in a beach-front condo and \$1,000 towards travel expenses.

2ND PLACE

One free admission to all three 2011-2012 Southern California Chapter Educational Programs.

HOW TO WIN

Refer a new member to our Chapter. The member who has the most referrals, wins.

Each new member will be required to provide his/her name and HFMA member number at the time of registration. We encourage you to have them join via the National HFMA website at www.hfma.org/membership.

The contest started on May 1, 2010 and ends on April 30, 2011

when we will total the entry points. We will announce the winner of the trip give-away at the chapter's Annual Awards Dinner. In the event of a tie, we will place the names of these individuals in a drawing. **You must be present to win.**

Please take advantage of this trip give-away. You'll be introducing your friends and colleagues to the finest healthcare financial management organization in the country while helping our local Chapter to grow; a win-win situation for all.

Christopher J Kinsey, President, HFMA, Southern California Chapter

CFO Committee Update

The CFO Committee has a luncheon planned on Wednesday, October 27th at the offices of Deloitte & Touche in Manhattan Beach.

Jason Dopoulos, Vice President at Lancaster Pollard, will discuss "Current and Improved Hospital Financing Options."

Session objectives are: 1) Learn what debt financing options are new, and what options have changed, and when they expire; 2) Recognize market factors that can impact the appeal of these various options, and how they relate to the current tight credit markets; and 3) Understand how recent HUD changes to streamline processing, adding staff experienced in health care, and adding new refinancing options can help hospitals access more affordable capital faster.

Current and Improved Hospital Financing Options Overview

Several options for financing hospital construction/renovation are set to expire at the end of 2010 and/or were changed in late 2009 to expand their utility. Hospitals that are aware of these changes, and can act on their construction/renovation financing needs in time, will have opportunities to pursue interest rates up to 45% lower than usual as well as local bank financing they might not have been aware of. They will also have a new federal option for refinancing troubled debt.

The temporary options were created through Congressional action advocated by AHA and others. They include the ability to use Federal Home Loan Bank credit enhancement in combination with local bank financing to reduce a hospital borrower's interest rate while involving a community bank in a major project, an option created by Congress in 2008 that expires after 2010. They also include an American Recovery and Reinvestment Act provision that allows hospitals to designate more of their bond issuance as "bank-qualified," which motivates banks to purchase the bonds at lower interest rates and thus reduce the hospital's cost of capital. The American Recovery and Reinvestment Act also created "Build America Bonds," which allow county, or municipally operated hospitals and other public facilities, to have their interest rates reduced by thirty-five percent (and, in special development areas, forty-five percent). This means that a bond issuance that would normally have an interest rate of 6.5% would be reduced to 4.39%. "Build America Bonds" are also a temporary option, though the fiscal 2011 budget proposal includes extending them, and perhaps expanding them to non-profits.

These options have provided hospitals across the country, including those in case studies presented in this session, with the opportunity to bypass the tight credit markets of troubled national banks. Further, toward the end of 2009, we saw changes to the federal hospital mortgage insurance program that expand hospitals' ability to use the program to refinance debt. With many hospitals still struggling to exit troubled banking relationships, this new option provides a way to issue lower-interest long-term bonds. Previously, the program could not be used to refinance.

This session will explain:

- How "Build America Bonds" (hereafter, "BABs") have been used to provide public hospitals with lower interest rates, and how bank-qualified bonds can do the same for nonprofit hospitals.
- Why combining BABs with HUD mortgage insurance may be the best option for some hospitals.
- New changes to FHA/HUD mortgage insurance eligibility requirements for refinancing debt.

CFO/Controller Roundtable Luncheon

Wednesday, October 27th, 2010 / 11:30 am – 1:30 pm
Fee - \$40.00

Location:

Deloitte & Touche LLP
1500 Rosecrans Ave, Ste. 300, Manhattan Beach, CA 90266

RSVP: By October 20th

Eric Delgado, Committee Chair

714-428-6841 / eric.delgado@tenethealth.com

20th Annual California Fall Conference

————— Jim Moynihan, SVP, HFMA, CTP, CHBME —————

The Long Beach Hyatt was full of enthusiastic HFMA members and supporters during our 20th Annual California Fall Conference. This year's program experienced increased attendance and sponsorship support continuing a three year trend of attendance growth. The service at the Long Beach Hyatt was superb and that was very encouraging because the 21st Annual Conference in 2011 will be at the same location!

Highlights of the Conference

With eighteen breakout sessions and five general session programs, the California Fall Conference is an intense educational experience. Our general session kickoff speaker was Dr. Mario Molina, CEO of Molina Healthcare, who spoke about the post "Healthcare Reform" landscape. As a physician and an insurance executive, Dr. Molina addressed a world where access has now increased but reimbursement for Medicare and Medi-caid patients will continue to be low. Dr. Molina's presentation was very well received, and his insights about our challenges to provide better outcomes with fewer resources, set the theme for the conference.

The goal of the California Fall Conference is to provide high level strategic insights about healthcare trends in our general sessions with practical applications available in our breakout sessions. Our General Session panelists from all major California healthcare associations (California Medical Association, California Hospital Association, California Association of Health Plans, and California Association of Physician Groups) held discussions on the impact of national healthcare reform as implemented in California. The devil is in the details and the details for "Health Insurance Exchanges," are still to be worked out in California. Dr. Molina and all association panelists had experience and comments to make about "bundled payments" and "accountable care organizations", two components of payment reform.

Additional commentary on commercial bundled payments was available from our CEO panel which featured the CEOs of Hoag Hospital, Cedars Sinai and Daughters of Charity Health System. The first two of these organizations are participating in a pilot program with commercial payers for bundled payments through their PPO line of business. It was valuable to hear these leaders comment that the future of their institutions would require far less investment in bricks and mortar and far more investment in information technology to make clinical record linking among providers a reality. The themes empha-

The 20th Annual California Fall Conference Committee



Tanja Twist speaks to PFS Forum on "Denial Tracking Tools".



sized by the CEO panel were reinforced by the CFO panel which included the CFOs of Community Hospital of Monterey Peninsula, Hoag Hospital and Valley Health in Hemet. These CFOs reinforced what CEOs saw as a future that demanded improved quality, aligned

incentives among physicians and hospitals, and approaches to community care that kept people healthy and out of hospitals. The challenge facing us all is how to reach these broad societal and economic goals while meeting budget requirements. This is the balancing act of healthcare finance today!

The many breakout sessions at the conference dealt with practical hands-on requirements for HFMA members. The finance track was particularly well attended this year as speakers dealt with diverse topics such as access to the capital markets, treasury management strategies for the recovery, and new requirements for the 990 and community benefit statements. The managed care track delivered its usual excellent array of payer and provider forums focusing on both commercial contracting challenges and Medi-Cal plan contracting. A panel of CEOs from key California health plans gave participants a personal opportunity to talk to key payers about current issues. This is a unique forum which is a hallmark of the California Fall Conference. *Continued on page six*

B E P R E P A R E D

Significant CHFP Certification Changes Come January 2011

— Sam King —

As many chapter members may be aware, HFMA's CHFP certification program is undergoing significant revisions. The HFMA Board of Examiners has made changes to the existing certification program, which was approved by HFMA's National Board of Directors in June 2010. The program was restructured for increased access and ease of use. As the revised certification exam goes into effect on January 1, 2011, I would like to summarize a few key points and provide resource links for further clarification.

The first significant change is the successful completion of one (1) comprehensive certification exam under the new program instead of two (2) exams (the Core and one of the specialty exams from Accounting & Finance, Patient Financial Services, Managed Care, and Physician Practice Management) under the existing program. The second change is the requirement of membership. There is no longer a minimum of two (2) years HFMA membership required in order to be a CHFP candidate. The third change is that all preparation materials will be available online and exams will be administered online through a contracted service provider and its network of testing sites throughout the country.

The revised one comprehensive certification exam will consist of 150 multiple choice questions available via the Internet. The exam will cover six areas: revenue cycle (21-25%), disbursements (4-8%), budgeting and forecasting (18-22%), internal controls (15-19%), financial reporting (16-20%), and contracting (13-17%). Candidates will have 4 hours to complete the exam.

There is NO CHANGE to the maintenance of the certification program once a CHFP designation is approved. Also, no change to FHFMA designation requirements and maintenance.

The Southern California Chapter will start to offer certification-coaching courses for the new program as soon as study materials become available. Watch out for coaching course announcements in the coming months.

For additional questions and clarifications (FAQs), including a list of the city and zip codes for the new testing sites in Southern California, please go to: www.hfma.org/certification/

Feel free to contact Debby Chanan, FHFMA, Certification Chair (chanenda@ah.org) or Sam King, FHFMA, Certification Co-Chair (sjking@uci.edu) for any additional questions.

20th Annual California Fall Conference

— Continued from page five —

Of course, our PFS track was a great combination of a PFS roundtable and presentations on the key subjects of interest to revenue cycle professionals. These included the conversion to ICD10 and version 5010 of the HIPAA mandated transaction standards and information on RAC, MIC and ZIPC audits. The PFS track took the award for the most acronyms. Another helpful panel spoke to new developments in denial tracking tools. The PFS track is a great training ground for new developments in revenue cycle and always gets rave reviews.

The 20th Fall Conference was a great success as measured by attendance, sponsorship and the evaluations given to our faculty. It is only possible by the hard work of many volunteers. I would like to thank Vickie Morgan in particular, as she does the majority of the meeting planning and logistical support. This was her 20th conference and her vital assistance is greatly appreciated.

Going forward, this conference will not be moving to a Northern California site next year as has been the pattern for the last decade. We have enjoyed working with the Northern California chapter for the last 10 years, but we both realized that fewer hospitals were approving travel expenditures and each chapter needed a more "local" event. The 21st California Fall Conference will be sponsored by the SOCAL HFMA and held at the Hyatt Long Beach again next year (September 11-13, 2011). Mark your calendars and join us for fun and a great educational experience!



Visit hfma-socal.org to view all Fall Conference photos.

BUILDING REPORTING TO ASSIST IN Managing the Charge Capture Process

— Ed Kerner —

The process of obtaining reimbursement for the care provided in hospitals is a complex interdisciplinary one, requiring that people and systems are effectively aligned. Given its inherent complexity, the number and types of problems are voluminous, often occur repetitively, and re-occur even after fixes have been implemented.

Managing the Charge Capture Process

In an effort to address the opportunities presented in enhancing its processes, Montefiore Medical Center initiated a charge capture reconciliation management program in 2006. The initial process began with the premise that the vanilla reports being generated out of the legacy patient accounting system were not sufficient for its needs. The immediate first step prior to initiating the program was to assess the requirements and define what data would ultimately be required.

Managing charge capture is a process that starts with reporting. At the close of each month, Montefiore distributes electronic reports of the volumes, charges and variances customized for each vice-president and department administrator's areas of responsibility. Montefiore utilizes a module developed by an external consultant that provides these customized electronic reports. There are separate inpatient and outpatient reports that contain the following data:

- **Executive Summary:** Significant variances at department, registration, plan code, and charge code levels. The option exists to drill down to the charge codes that are driving the variances in the registration areas.
- **Department Level:** Historical volumes and charges and the current month's charge variance relative to a four month rolling average at the department level.
- **Registration Level:** Historical volumes and charges and the current month's charge variance relative to a four month rolling average at the registration area level.
- **Plan Codes Level:** Historical volumes and charges and the current month's charge variance relative to a four month rolling average at the plan code level.
- **Historical Usage:** Monthly inpatient and outpatient units at the department level for twelve months plus prior year's monthly average units in graphical form.

These reports are uploaded to the Revenue Cycle intranet site where the vice-presidents, department managers, and revenue cycle department staff can review them. The revenue cycle department follows-up with the department administrators to discuss the reasons for the significant variances in their areas and works with them to develop and implement the needed corrective actions. The revenue cycle department then monitors

the charges in areas where corrective actions have taken place to ensure that the problems have been resolved. It also assists in the development of work flows and revisions to departmental processes and systems.

Benefits

By managing charge capture, Montefiore is able to identify and correct problems that may be affecting cash flow and reimbursement. These problems include:

- Areas not entering charges timely
- Charges not being entered
- Charges not transferring between systems
- Charges being entered and then reversed
- Usage on "inactivated" charge codes
- Implementation of incorrect prices
- Budgeted volumes not being achieved

In addition, the use of the monitoring reports helped when merging the charge description master (CDM) from a hospital that was added to the health system. Using the reports enables the identification of problems with the linkages between the two CDMs. Another benefit is the creation of a database of historical volume and charges that can be used for various types of analysis. Finally, the vice-presidents and department managers appreciate receiving volume and charge information specific to their areas of responsibility.

Keys to Success

The charge capture management program has evolved since its inception. During that time, Montefiore constantly looked for ways to improve and build add-on reporting functionality. Based on Montefiore's experience, a successful program should have the following four key features:

• **Someone needs to take ownership of the program.**

The revenue cycle department at Montefiore owns this initiative. The revenue cycle department works with a vendor to obtain the reports each month, uploads the reports to our internal website, reviews each recipient's reports, follows-up with the recipients and provides assistance in addressing each significant variance. The revenue cycle department also takes responsibility for ensuring that any needed follow-up action takes place. *Continued on page ten*

The Growing Charity Challenge: Form 990 and Health Reform

— Steve Levin, CEO, Connance —

Providers have made great progress in expanding and developing financial counseling processes over the past several years. Unfortunately, a large number of patients are continuing to fall through the cracks. Many patients meriting financial assistance fail to participate in financial counseling and are instead declared to be bad-debt and sent to collections.

This situation, while disappointing, is taking on new concern with Form 990 filing obligations, in which hospital executives are required to declare the amount of charity they believe they missed by current processes and which ended up as bad-debt. This admission of process breakdown is in addition to documenting the various types of financial assistance delivered and scale of community benefit spending.

It is likely that community groups and consumer advocates will closely study the new information disclosed on the Form 990. They will use this information to form opinions with respect to how well not-for-profit hospitals are delivering on their community responsibilities.

Recently passed health reform legislation is also picking up on this issue, setting expectations for comprehensive financial assistance effort prior to any extraordinary collection activity. How this component of the legislation ultimately is converted into guidelines and operating standards remains to be seen; however, it is hard to imagine that the results will lessen the current anxieties. Similarly, it remains unclear what limits or restrictions the new Consumer Financial Protection Agency will impose.

Size of the Opportunity

Based on research done by Connance and PARO, it is common to find that 20-30% of a provider's bad-debt is from guarantors that would qualify for charity, but slipped through the cracks in the process. This is a meaningful percentage and is sure to attract attention when reported on Form 990.

Of course, the amount of missed charity for any individual hospital varies based on the local market, their specific financial assistance policies, and the financial counseling process in place. Poverty is a local phenomenon.

Root Causes of Missed Charity

Simply working harder under today's standard patient access and financial counseling processes is unlikely to overcome the missed charity issue. Structural challenges stand between many poor people participating in counseling and properly documenting their eligibility.

Consumers living in poverty have less education and higher illiteracy than the average household. While statistics on illiteracy and poverty are limited, the U.S. Department of Education estimates that, *on average*, 1 in 5 Americans are functionally illiterate. With this national average, a sizable share of the poor are very likely unable to fill in a basic charity application or even read a charity sign in the emergency room.

People living in poverty often lack stable addresses, are immigrants, or are embarrassed by their situation and prefer to not participate in application processes and announce their plight.

The Federal Reserve estimated that as many as 25% of those living in poverty lack access to traditional "banking" resources such as a savings or checking account. This means they are unable to provide financial documentation and databases of such information will not have their information.

Poverty and Credit Scores

The relationship between poverty and credit scores is an interesting one. It stands to reason that if people living in poverty lack traditional banking relationships, they will also lack a credit score. However, the corollary is not true – just because one lacks a credit score does not mean they are poor. There are many reasons other than income that will cause an individual to lack a credit score. Consider the situations of students who are just entering the workforce, someone who is newly widowed or divorced, or recent immigrants.

Next, consider that credit scores are really not an income measure but a delinquency measure. They answer the question, "Is this person likely to repay a new credit obligation?" Poverty is not a question of being overextended or spending more than you make. It is simply a question of income and household structure.

A common example of the difference between credit scores and poverty is an elderly patient living on a fixed income without any property. This patient will often have a bank

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The Growing Charity Challenge

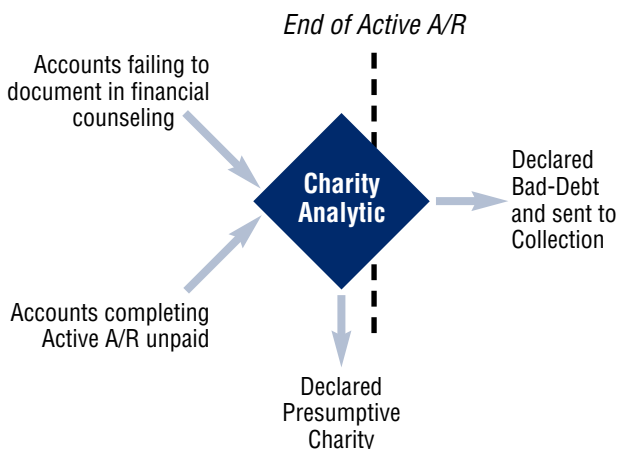
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account and a credit card, which they use sparingly or under tight control, so as to never run up a bill they cannot afford. This patient will likely have a solid credit score, but also be eligible for poverty classification based on income. One can contrast this with a middle income consumer who has racked up large bills buying the latest electronics or being overextended on their mortgage. They probably have poor credit scores, but would not meet the charity test for low income.

Presumptive Charity Analytics Leading Solution

Presumptive charity analytics are the leading approach to addressing both day-to-day operational issues of missed charity and Form 990 disclosures. They are a type of predictive model built specifically for identifying accounts eligible for poverty classification. Presumptive charity analytics use publicly available information to predict whether or not that guarantor would have been approved for financial assistance had they participated in the process.

Providers are using predictive analytics to evaluate accounts that fail to document thorough standard financial counseling processes. Accounts are scored just prior to bad-debt assignment. Those qualifying for presumptive charity are reclassified as such and removed from the bad-debt placement file. Those failing to qualify are declared bad-debt and handled as such.



Using a presumptive charity analytic in this fashion complements the existing financial counseling and patient access processes by addressing recognized breakdowns and barriers. Every account, including those that were missed by or failed to participate in financial counseling, are reviewed using a proactive, consistent and repeatable process.

This approach also provides a clear pathway for Form 990 submissions. Hospitals are able to reclassify significant bad-debts as presumptive charity, demonstrating a truer view of their community benefit. The estimate of missed charity ending up in bad-debt is reduced to the error rate of the model applied against bad-debt placements. In total, the institution is communicating a comprehensive and proactive effort to identify and aid needy patients, even those unable to speak up. This is clearly on point with newly passed federal health reform legislation.

In order to implement this approach, charity policies need to explicitly note that presumptive charity can be conferred based on a third-party analytic. Similarly, auditors should be apprised of the decision to implement a presumptive analytic. Their input should be incorporated into the process and policies.

Picking a Presumptive Charity Analytic

There are a range of presumptive charity analytics available to identify missed charity eligible accounts. In picking a model, consider the following elements:

- Local calibration.** Poverty is heavily weighted to local economic circumstances and socio-economic attributes. Better predictive models will be calibrated during implementation to the hospital's specific community.
- How the model handles households without bank accounts and credit files.** Credit based models may have challenges with this population. Socio-demographic models are often better able to handle households living in the cash economy.
- Information required.** Some models require a current address and guarantor social security number for scoring. Understanding differences in data requirements is important as it can have significant impact on Patient Access activities.
- Portion of accounts a model cannot evaluate.** Better models will have broader coverage, e.g. fewer accounts that are not able to be predicted or assessed. Some models cannot evaluate as many as 30% of self-pay accounts, while others will have issues with as few as 1-2%.
- Sliding Scale Calibration.** Models differ in the extent to which they can be tuned to a hospital's sliding-scale discount, e.g. the discount offered at different income thresholds.
- Acceptance by IRS, Regulators and Other Organizations.** With many different vendors offering models, understand the extent to which the model in question has been used in previous filings or been recommended as an effective solution.

Continued on page ten

The Growing Charity Challenge

Continued from page nine

Few Simple Steps Solve Growing Issue

Analytics are commonly accessed through simple web-based applications and can be connected to a patient account system through secure file transfer. The system generates a file for scoring and sends it to the scoring website, much the same way patient accounting systems generate bad-debt placement files today. The web-based scoring system picks up the file, scores each account and sends back a response file. Your patient account system grabs the file and automatically reclassifies accounts based on the score.

Within just a few weeks of selecting a charity analytic, an organization can be automatically reviewing accounts as they age out to bad-debt. In some instances, it is also possible to review, at initiation, existing bad-debt inventory and execute a one-time financial adjustment for those identified as presumptive charity eligible.

Adopting a presumptive charity analytic is a straightforward, cost effective solution to a problem of significant public concern. It is additive to a great financial counseling and patient access program, closing the loop on patients missed in current routines, incapable of participating, or reluctant to make themselves visible. Your patients win and so does your organization.

This article relies on material published in "a Form 990 Schedule H conundrum" by Shari Bailey, David Franklin and Keith Hearle, hfm magazine, April 2010. Shari Bailey is VP, Verité Healthcare Consulting, LLC; David Franklin is Chief Development Officer, Connance, Inc.; and Keith Hearle is President, Verité Healthcare Consulting, LLC.

Charge Capture Process

Continued from page seven

- **Provide each recipient with information specific to his/her area of responsibility.** Each month, the recipients of the reports receive information *specific* to his/her area of responsibility. At Montefiore, each vice-president has responsibility for select departments on the inpatient side and select registration areas on the outpatient side. Departmental administrators have responsibility for one or more departments. The vice-presidents receive inpatient information for their departments and outpatient information for their registration areas. The department administrators receive both inpatient and out-patient information for the departments under their control.
- **The issues that need to be addressed should be highlighted and specific information should be provided to enable the recipients to take action.** It is important that the variances that need to be addressed are highlighted so that the recipients of the reports do not have to spend time trying to figure out where they need to focus their attention. It is also important to provide both high level and specific information with regards to variances. For example, it is helpful to know that \$80,000 of a registration area's total charge variance of \$95,000 is associated with one charge code.
- **The information should be provided in a user friendly manner.** Recipients need to be able to quickly and easily navigate through the information. The use of electronic reports with menus and point and click features helps greatly.

Conclusion

In order to determine where there are fluctuations in charge capture, it is important to develop reporting tools that can be produced timely, are accurate, and most importantly, are user friendly, so they can be reviewed by all affected areas to assist in the determination of where there are known areas for follow-up to review operational enhancements. By developing and expanding these reporting capabilities, you can effectively manage the charge capture process.

Ed Kerner is Director of Charge Revenue Cycle Operations for Montefiore Medical Center. Ed can be reached at ekerner@montefiore.org.

CORPORATE SPONSOR PROGRAM



hfma™

healthcare financial management association
southern california chapter

**2010-2011
Corporate Sponsorship
Program**

The Southern California Chapter of HFMA is now accepting Corporate Sponsors at the chapter level. Companies that participate in the Corporate Sponsorship Program strengthen the chapter while at the same time increasing their own corporate visibility. As a corporate sponsor, you will be listed on the corporate sponsor page of the chapter website with a link to your corporate website, or a link to the email of a corporate representative, or just an informational page about your company. In addition to the visibility provided on the web site, you will be featured on the Corporate Sponsor page of the chapter's *Newsbrief*.

The Southern California Chapter of HFMA has over one thousand members who receive *Newsbrief* and visit the chapter website on a regular basis. HFMA members from around the country, as well as other interested parties, visit our chapter's website.

Becoming a Corporate Sponsor will increase your company's visibility to healthcare finance professionals and will also ensure that the Southern California Chapter of HFMA is able to continue to provide excellent education programs and networking opportunities.

For more information on sponsorship opportunities contact James Cummings, Sponsorship Chairperson, cummingsj1c@aol.com.

WHY BE A CORPORATE SPONSOR?

Visibility is a powerful advantage, and as a sponsor of the Southern California Chapter of the Healthcare Financial Management Association (SCCHFMA), you gain exposure to a select audience that is over 1000 members strong, consisting of CEO's, CFO's, Patient Financial Services Directors, and other healthcare finance professionals. You emerge as a leader by demonstrating your support of professional education and quality programs.

As an SCCHFMA sponsor, a wealth of recognition opportunities are yours to explore. At minimum, you will see your organization's name and logo on pertinent marketing materials and gain on-site acknowledgement and signage at educational conferences. Additional promotional opportunities are available, depending on the category of sponsorship you choose.

With your support and technical expertise, SCCHFMA can continue to thrive and provide more valuable services to our members and other healthcare professionals. The Southern California Chapter is proud of its previous affiliations with sponsors and looks forward to hearing from you.

All sponsorships are received with great appreciation and in good faith, as we are managers of your investment.

I. CATEGORIES AND BENEFITS OF CORPORATE SPONSORSHIP

| BENEFITS | BRONZE \$1,000 | SILVER \$2,500 | GOLD \$3,500 | PRESIDENT'S CLUB \$5,000 |
|--|-------------------|-------------------|-----------------|-----------------------------|
| Posting at all chapter meetings according to sponsorship category. | X | X | X | X |
| Listing of sponsor according to level in all Chapter program brochures. | X | X | X | X |
| Listing of sponsor according to category in each issue of the Chapter newsletter and on Chapter website. | X | X | X | X |
| Option to sponsor an Information table at all chapter education events. | | | | X |
| Listing in the membership directory if joined before publication of directory. | X | X | X | X |
| Free registration certificates at any one chapter education session (as indicated). | (1) | (2) | (3) | (5) |
| Quarter (¼) page ad in every newsletter. | | | | X |
| Option to host a hospitality suite at any Chapter educational program, with President's approval (i.e. sponsoring company will pay fees of suite). | | | | X |
| Special ribbon and/or name tag designating Chapter Sponsor. | X | X | X | X |

C O R P O R A T E S P O N S O R P R O G R A M

II. CORPORATE SPONSOR INFORMATION SHEET

START DATE This Corporate Sponsorship Program begins on June 1, 2010 and runs through May 31, 2011.

DETAILS OF THE PROGRAM Enrollment period will be throughout the chapter year. An email announcement will be sent to all chapter members and vendors listed in the current membership directory. Selected vendors who have expressed an interest in sponsoring past HFMA events will also be contacted.

PAYMENTS Payments are due with application / agreement, and can be submitted at any time during the chapter year. Quoted rates assume a full year's sponsorship at the various levels. Sponsorships agreements can be entered into at any time during the chapter year. The donation amount will be prorated based on time remaining in the chapter year. A confirmation letter will be mailed after the potential sponsor commits to the agreement. The sponsor will be sent a "thank you" once the payment is received. The website will be updated to reflect sponsor ship agreement within a week of receiving payment.



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Corporate Sponsor Application

PLEASE COMPLETE AND RETURN THIS FORM TO:
James M. Cummings, SCCHFMA Sponsorship Chair
20638 Merridy Street, Chatsworth, CA 91311

NOTE: Please make checks payable to "HFMA Southern California Chapter"

SPONSOR'S COMPANY NAME _____

CONTACT NAME _____

CONTACT PHONE NUMBER _____

BILLING ADDRESS _____

CITY | STATE | ZIP _____

E-MAIL _____

WEB SITE ADDRESS _____

We would like to participate at the following sponsorship level:

PRESIDENT'S CLUB (\$5,000) **GOLD (\$3,500)** **SILVER (\$2,500)** **BRONZE (\$1,000)**

We would like to make two installment payments.

For more information, contact:

James M. Cummings, Sponsorship Chair, HFMA Southern California Chapter: cummingsllc@aol.com

2010-2011 CORPORATE SPONSORS

..... PRESIDENT'S CLUB

..... GOLD



..... SILVER



..... BRONZE

